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Central Intelligence Agency



Washington, D.C. 20505

D/Pers 84-1423

3 APR 1984

Mr. James C. Frey  
Assistant Director for Legislative Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

This memorandum provides our comments on the Office of Personnel Management's (OPM's) draft bill to implement certain proposed changes to the Civil Service Retirement System and to possibly extend these changes by Executive Order, following an appropriate Presidential determination, to the Central Intelligence Agency Retirement and Disability System (CIARDS). The proposed changes include: (1) "High-Five-Year" average salary computation for retirement annuities, (2) increased retirement contributions, (3) elimination of FY 1984 COLA and limited COLA thereafter, (4) elimination of survivor benefits for students between ages 18 and 22, and, (5) elimination of minimum annuity.

We have discussed the retirement legislation issues with the Director, Central Intelligence Agency (CIA). There is concern that OPM's proposed legislation is dealing piecemeal with a very complex and important benefit. We strongly believe that changes in retirement systems deserve to be dealt with in the entirety rather than being limited to the five issues cited above. In fact, we sincerely believe that the present ongoing studies by the Administration and the Congress regarding supplemental retirement coverage should be completed first. Because of the present activity in the Congress and the Administration on the Federal retirement system, the Director, CIA, has asked our Director of Personnel to look at the totality of the retirement issue and to give him appropriate recommendations for his consideration.

Based upon discussions with the Director, CIA, we would like to provide you with some thoughts on the impact on the CIA of OPM's proposed draft bill. As you probably know, CIA is fully committed and supportive of the President's efforts to revitalize and enhance the effectiveness of foreign intelligence efforts and to improve the quality of the nation's

intelligence product. To this end, the CIA's retirement systems must be necessarily oriented to recognize the Agency's unique work environment. In fact, the provisions of retirement programs covering Agency employees have deliberately been woven into the framework of our special personnel management structure. These retirement programs must provide the Agency with the ability to recruit and retain a young vigorous work force to meet the heavy pressures and demands that are placed on a quick-response intelligence organization. Any retirement system changes that would alter this situation may be detrimental toward meeting the goals of revitalizing and enhancing the foreign intelligence effort.

Sincerely,

/s/ Clair E. George

Clair E. George  
Director, Office of Legislative Liaison

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